



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 19-08]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Karma Job at karma.d.job.civ@mail.mil or (703) 697-8976.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 19-08 with attached Policy Justification and Sensitivity of Technology.

Dated: March 8, 2019.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

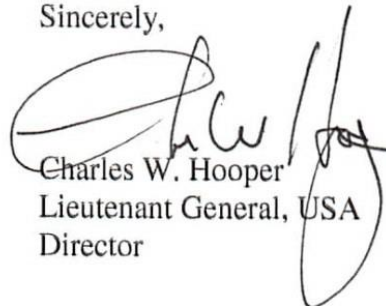
JAN 29 2019

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 19-08, concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Japan for defense articles and services estimated to cost \$2.150 billion. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,



Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Transmittal No. 19-08

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Japan

(ii) Total Estimated Value:

Major Defense Equipment*	\$.375 billion
Other	<u>\$1.775 billion</u>
TOTAL	\$2.150 billion

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Two (2) AEGIS Weapon Systems (AWS)

Two (2) Multi-Mission Signal Processors (MMSP)

Two (2) Command and Control Processor (C2P) Refreshes

Non-MDE:

Also included is radio navigation equipment, naval ordnance, two (2) Identification Friend or Foe (IFF) Systems, Global Command and Control System-Maritime (GCCS-M) hardware, and two (2) Inertial Navigation Systems (INS), U.S. Government and contractor representatives' technical, engineering and logistics support services, installation support material, training, construction services for six (6) vertical launch system launcher module enclosures, communications equipment and associated spares, classified and unclassified publications and software, and other related elements of logistical and program support.

(iv) Military Department: Navy (JA-P-NCO)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: **January 29, 2019**

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Japan – AEGIS Weapon System

The Government of Japan has requested to buy two (2) AEGIS Weapon Systems (AWS), two (2) Multi-Mission Signal Processors (MMSP) and two (2) Command and Control Processor (C2P) Refreshes. Also included is radio navigation equipment, naval ordnance, two (2) Identification Friend or Foe (IFF) Systems, Global Command and Control System-Maritime (GCCS-M) hardware, and two (2) Inertial Navigation Systems (INS), U.S. Government and contractor representatives' technical, engineering and logistics support services, installation support material, training, construction services for six (6) vertical launch system launcher module enclosures, communications equipment and associated spares, classified and unclassified publications and software, and other related elements of logistical and program support. The total estimated program cost is \$2.150 billion.

This proposed sale will contribute to the foreign policy and national security of the United States by improving the security of a major ally that is a force for political stability and economic progress in the Asia-Pacific region. It is vital to U.S. national interests to assist Japan in developing and maintaining a strong and effective self-defense capability.

This proposed sale will provide the Government of Japan with an enhanced capability against increasingly sophisticated ballistic missile threats and create an expanded, layered defense of its homeland. Japan, which already has the AEGIS in its inventory, will have no difficulty absorbing this system into its armed forces.

The proposed sale of this equipment and support does not alter the basic military balance in the region.

The prime contractor for the Aegis Weapon System and Multi-Mission Signal Processors will be Lockheed Martin Rotary and Mission Systems, Washington, DC. The Command and Control Processor Refresh will be provided by General Dynamics, Falls Church, VA.

There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require annual trips to Japan involving U.S. Government and contractor representatives for technical reviews, support, and oversight for approximately eight years.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 19-08

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The AEGIS Weapon System (AWS) is a multi-mission combat system providing integrated Air and Missile Defense for surface ships. This sale consists of the modified J7 Foreign Military Sales (FMS) baseline (AWS Baseline 9.C2 along with Ballistic Missile Defense (BMD) 5.1 capability). No integrated Anti-Air Warfare capability will be provided. AWS Software, documentation, combat system training and technical services will be provided at the classification levels up to and including SECRET within approved release and disclosure guidelines. The manuals and technical documents are limited to those necessary for operational use and organization maintenance.
2. Hardware includes AWS Computing Infrastructure Equipment, including Blade Processors, Fire Control System (FCS) MK 99, Vertical Launching System (VLS) MK 41, combat system support equipment, logistics support equipment, and the Digital Signal Processing Group. The Digital Signal Processing group will be derived from the Multi-Mission Signal Processor and will be integrated with Lockheed Martin's Solid State Radar (SSR) which is being procured by Japan via Direct Commercial Sale contract. The Digital Signal Processing Group will be capable of BMD mission only. The hardware is UNCLASSIFIED.
3. The AN/UYQ-120(V) Command and Control Processor (C2P) System is a Tactical Data Link (TDL) message distribution system that provides real-time control and management of Tactical Digital Data Links (TADILs) in support of all major surface ship and shore Command, Control, and Communications (C3) systems. The C2P is a follow-on Technical Refresh (TR) upgrade for the legacy AN/UYQ-86(V) variants 1 through 7 of the Common Data Link Management system (CDLMS). The AN/UYQ-120(V) C2PS has three variants depending on the host site in which it is installed and only uses trusted software. The highest classification of the hardware and software to be exported is SECRET. Identification and security classification of classified equipment, major components, subsystems, software, technical data, documentation, training devices and services to be conveyed with the proposed sale.
4. If a technologically advanced adversary obtained knowledge of the specific hardware or software in the proposed sale, the information could be used to develop counter-measures which might reduce weapons system effectiveness or be used in the development of a system with similar or advanced capabilities.
5. A determination has been made that Japan can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is

necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

6. All defense articles and services listed in this transmittal have been authorized for release and export to Japan.

[FR Doc. 2019-04642 Filed: 3/12/2019 8:45 am; Publication Date: 3/13/2019]